

**California Workforce Investment Board
June 26, 2001
Sacramento**

**DRAFT
MEETING SUMMARY**

On June 26, 2001, the California Workforce Investment Board convened in the Tsakopoulos Library Galleria, Sacramento Public Library, Sacramento. The following Board Members were in attendance:

Larry Gotlieb, Chair	Bill Lloyd (designee for Gov. Gray Davis)
Christine Essel, Vice Chair	Richard Mendlen
Kenneth Burt	Kathleen Milnes
Jerry Butkiewicz	Elvin Moon
Wesley Chesbro	Patti Nunn (designee for Miguel Pulido)
Rona Sherriff (designee)	Thomas Nussbaum
James Crettol	Jon Orszag
Kirsten Deichert	Pat Paul
(designee for Dion Aroner)	Robert Pike
Delaine Eastin	Ann Savage
Mary Edington	Steve Smith
Victor Franco	Mary Hernandez (designee)
Scott Hauge	Elizabeth Plott-Tyler
Mary Haywood	Jan Vogel (designee for Jerome Horton)
Jorge Jackson	Don Whitaker
(designee for Maria Contreras-Sweet)	Patricia Wiggins
Grantland Johnson	Sean MacNeil (designee)
Sukhee Kang	Thomas Zenty
Kirk Lindsey	

Call to Order/Welcome and Opening Remarks

Chair Gotlieb called the meeting to order at 10:04 a.m. He announced the Board would be holding a seminar on October 14 and 15 in San Diego with a focus on the future of the economy and the private sector's role in workforce training. He noted the next meeting of the full Board would be on December 6.

Mr. Gotlieb welcomed input from Board members on the Board's committee structure. He asked that suggestions be forwarded to the staff for further consideration.

Executive Director Andrew Baron reported on recent meetings. He said the staff is establishing a work group to set priorities for spending the 15 percent discretionary funds.

Mr. Baron noted the Board is transitioning from a compliance focus to a comprehensive workforce development system. He urged Board members to contact the staff to help arrange visits to local areas so they can see firsthand some of the programs going on in the field.

Approval of the Minutes

A motion was made, seconded, and unanimously approved to accept the minutes of the April 24 meeting.

State Youth Council

John Merris-Coots noted that at the April meeting, the Board asked the staff to report back with information on a number of issues related to establishment of a state youth council. He referred to the meeting packet for more details. Mr. Merris-Coots said the staff was unable to identify any negative impacts of state youth councils; however, a key challenge will be to address the complexity of youth development issues in the state, ensure adequate representation of interested stakeholders, and keep the size of the council small enough to function effectively.

Mr. Merris-Coots invited State Superintendent of Public Instruction Delaine Eastin to discuss the Department of Education's efforts in implementing the Workforce Investment Act.

Superintendent Eastin encouraged Board members to visit local areas to observe their programs and find out more about their needs and issues. She emphasized the importance of developing career and technical training programs for youth in California that do not attend four-year colleges and universities. She recommended allocating more state funds to expand this aspect of the workforce preparation system.

Superintendent Eastin described how the Department of Education is using its funds to support regional occupational centers and programs (ROCPs), adult schools, one-stop operations, and innovative projects. She cited a travel industry-training program in Long Beach, a tourism-hospitality industry program in Gilroy, a Los Angeles program for women in male-dominated career fields, and an entertainment industry-training project

as examples of successful public-private partnerships. Ms. Eastin also discussed the Department of Education's involvement in regional collaboratives throughout the state.

Superintendent Eastin emphasized that California's young people are interested in securing a good future for themselves, but many are unaware of good-paying career and technical opportunities not requiring a college education. She advocated showing students how academic subjects relate to real-world jobs.

Pat Sherard, California Workforce Investment Board staff, introduced three panelists to discuss local youth council activities: Andrea Baker, Merced County Local Workforce Area; Board member Ann Savage; and Apollo Lopez, Sacramento Local Conservation Corps.

Andrea Baker said Merced established a youth council in November of 1999 as a precursor to implementing the Workforce Investment Act, and activities were divided between older youth and younger youth. She noted the youth council developed a vision, a mission, and four major goals based on a youth development model. The youth council also set up a structure of committees to deal with planning and quality assurance, operations, marketing, outreach, and leadership. Ms. Baker said the youth council has generated considerable interest in participation, and local youth are becoming more involved in attending meetings and expressing ideas.

Kirk Lindsey asked about programs dealing with out-of-school youth. Superintendent Eastin noted many out-of-school youth are enrolled in adult education programs and community colleges. Ms. Baker said Merced's local workforce investment board contracts with Arbor, Inc., and that company has developed collaboratives with other community members. Merced now has an active pre-apprenticeship program in the building trades that includes drug and alcohol programs, supportive services, and activities for at-risk youth. Ms. Baker added that the peer-to-peer program has been most effective in getting out-of-school youth involved in these programs.

Elvin Moon asked about follow-up after students complete these programs. Ms. Baker said the basic curriculum includes training in financial management, life skills, and personal interaction. In addition, for students who complete the training, there is a 12-month follow-up to monitor employment and help them advance to better jobs.

Mr. Lindsey asked if Merced is using on-the-job training or work experience at entry-level jobs as part of its programs. Ms. Baker responded that the approach depends on the skills students have when they enter the program; some are placed directly in jobs, while others go through extensive training and work experience programs first.

Superintendent Pat Paul asked how Merced deals with barriers such as transportation. Ms. Baker answered that Merced provides assistance with bus passes. In addition, programs are centered in a number of outlying cities as well as in the City of Merced.

Kenneth Burt recommended expanding the follow-up program beyond one year after completion. He also suggested conducting a longitudinal study to track progress over a five-year period. Ms. Baker responded that Merced would be happy to participate in a longer-range tracking effort. She noted that as part of the basic training program, youth are introduced to the one-stop center system so they become familiar with the services available to them there.

Ann Savage spoke about the importance of conservation corps and service corps as a way of training youth and providing employment opportunities. She traced the history of the Los Angeles Conservation Corps, noting it grew from a small organization in 1985 to a \$16-million agency employing more than 500 young adults and serving more than 12,000 kids at the present time. She said the Los Angeles Conservation Corps provides intersession programs offering activities to middle- and high-school students during school vacations. In addition, there are after-school programs, beautification projects, and basic training in work skills. Programs for young adults include assistance in obtaining high-school diplomas, entrance to community colleges, and job training.

Ms. Savage supported establishment of a state youth council to coordinate local youth council activities, leverage resources, and share best practices.

Apollo Lopez attested to the positive influence the Sacramento Local Conservation Corps has had on his own life. He said the corps has employed him for three years, going from a summer job to a full-time supervisory position. Mr. Lopez noted this involvement has allowed him to obtain his high-school diploma, learn personal relationship and leadership skills, and become a productive member of his community. He said the Sacramento Local Conservation Corps employs about 100 young adults in various community projects, ranging from beautification and landscaping to recycling and assisting with home repairs and weatherization.

Mr. Lopez commended the education supervisors, teachers, counselors, and program managers for their dedication. He urged the Board to approve establishment of a state youth council to help continue and expand these worthwhile activities.

Mr. Merris-Coots introduced two nationally recognized experts, Ephraim Weisstein, Center for Youth Development, Commonwealth Corporation, and Steve Trippe, New Ways to Work, and invited them to address the Board.

Ephraim Weisstein discussed the activities and lessons learned by Massachusetts' statewide youth council. He explained that the Center for Youth Development is a state-level intermediary functioning as a liaison between community and state agencies and coordinating the work of the state's 16 local youth councils.

Mr. Weisstein emphasized the importance of academic preparation with workforce preparation. He recommended that Workforce Investment Act implementation be built upon the existing K-through-16 school system, alternative education programs, and school-to-career programs. Mr. Weisstein said the key to creating a comprehensive system serving all youth is to utilize existing programs and networks, and by adopting a youth development approach.

Mr. Weisstein outlined some major operational issues and challenges: involving school-to-career local partnerships, coordinating and leveraging funds, and allowing local flexibility. He suggested that the state youth council's role should be to support local youth councils, help communities identify their needs and design appropriate programs, involve key stakeholders, and provide resources and technical assistance. Mr. Weisstein presented a framework for youth council development and reviewed its key elements. He noted youth councils need to meet WIA minimum requirements, expand workforce preparation to all youth, connect with social services, link to the second-

chance system, and function as a comprehensive, integrated whole. Mr. Weisstein recommended that the state youth council be based on these same goals.

Steve Trippe said the key challenge facing California is moving from a compliance-based system to a more comprehensive local youth-serving system. He noted a state youth council is necessary to provide the overall leadership and coordination to make this possible. He said a state youth council can ensure connectivity between school-to-career programs and other youth programs, help build the necessary infrastructure, coordinate resources, and identify barriers. Mr. Trippe urged the Board to approve establishment of a state youth council to take this leadership role.

Community Colleges Chancellor Thomas Nussbaum observed that a large portion of California's youth avail themselves of the community college system to gain job skills, earn degrees, and further their education. He underlined the importance of integrating academic and technical career training systems into a comprehensive whole, and he supported formation of a state youth council. Chancellor Nussbaum recommended that the Board ratify the composition of the council and its structural relationship to the State Board.

James Crettol commented that local youth councils should be represented on the state youth council as well as other groups. He questioned the size of the group and asked how staff envisioned it's functioning. Mr. Baron recommended first identifying the issues the state youth council will address, and then determining its representation. He agreed that local youth councils should be involved.

Patti Nunn suggested involving faith-based organizations because they are often most successful in terms of outreach.

Secretary Grantland Johnson advocated casting a broad net and reaching out to many types of organizations, including faith-based.

Mr. Lindsey observed that a significant proportion of the California Workforce Investment Board's funds are set-aside for youth, and legislation may increase that share even more in the future. He emphasized the importance of involving the private sector, labor unions, and the existing educational system in order to leverage resources efficiently. He questioned what role labor unions would play in this process.

Art Pulaski noted union apprenticeship programs are one of the most successful kinds of training programs available to California youth. He affirmed the commitment of organized labor to participate on the state youth council and work to extend outreach.

Jerry Butkiewicz supported establishment of a statewide youth council as a way of ensuring broad representation from all factions of the community.

Kathleen Milnes asked the presenters to suggest effective strategies for getting employers and economic development organizations involved. Mr. Trippe described a number of initiatives targeting partnerships with private-sector employees, large and small businesses, corporations, labor unions, and private nonprofit agencies. He said one-stop centers and Regional Workforce Preparation and Economic Development Act (RWPEDA) grantees are already involved in this effort, and he emphasized the

importance of the intermediary network in bringing key stakeholders together. Mr. Trippe added that a state youth council could play an integral part in this effort.

Mr. Weisstein commented that a major challenge facing the state would be to balance the state's role and flexibility for local agencies.

The motion previously placed on the floor that the Board formally establish a youth council was brought up for vote and unanimously approved.

Congressional Action on WIA Budget Rescission

Mr. Baron informed Board members that the U.S. Congress is considering a rescission of WIA funds. He invited Steve Malliaras, U.S. Department of Labor, to provide more details.

Steve Malliaras explained that language was introduced in the House of Representatives to rescind approximately \$359 million in WIA funds against the 2002 appropriation. Although the rescission language was deleted in the House, a similar measure is still pending on the Senate floor. That proposal would redirect \$48 million from targeted competitive youth programs to WIA formula-funded programs, rescind approximately \$217 million from the dislocated worker funding stream, and give authority to the Secretary of Labor to re-allot excess unexpended WIA funds to other programs. Mr. Malliaras noted all of these changes would affect 2001 appropriations.

Mr. Malliaras said federal agencies have noticed that WIA funds are not being expended rapidly, so legislators are looking at directing the money to fund the tax cut and other programs.

Virginia Hamilton, California Workforce Association, commented that the proposed Senate rescission is likely to pass. She noted that the impact on California would be significant, especially at a time when layoffs are increasing and the number of dislocated workers in the state is growing. She urged Board members to contact people in Congress to let them know that such cuts would be disastrous for California.

Rona Sherriff commented that there are significant disparities in use of funds among local areas. She recommended that the Board find out what accounts for the differences and possibly intervene if there are problems.

Mr. Lindsey pointed out the distinction between unexpended funds and encumbered or committed funds. He asked about the possibility of loaning funds from one service delivery area in California to another.

Ms. Hamilton stated that the California Workforce Association is interested in being involved in policy decisions about how any possible rescission is applied. She suggested forming a work group to identify priorities and develop a policy recommendation.

Mr. Gotlieb encouraged Board members to contact the staff or the California Workforce Association for more details and assistance in drafting appropriate letters to congressional representatives.

Local Area Spotlight

Keith Lee, County of San Bernardino, introduced panelists Kathy Kossick, Sacramento Employment and Training Agency; Lee Ferrero, San Luis Obispo County Private Industry Council; and Mike Curran, North Valley Job Training Consortium. He invited them to make brief presentations about their local area activities.

Kathy Kossick said the Sacramento Employment and Training Agency (SETA) works on leveraging the resources available at one-stop career centers with federal and regional programs. She noted SETA programs include job training and assistance for refugees, skills training for parents of Head Start children, emergency support services at career centers, job search programs for welfare recipients, Employment Training Panel assistance for private employers, and special youth activities. SETA has identified five target industries for focused efforts in the next year: construction, healthcare, customer service call centers, tourism/hospitality/food service, and information technology. Ms. Kossick described a virtual call center program developed in cooperation with Los Rios Community College District. She underlined the importance of regional collaborations with other agencies and neighboring counties.

Lee Ferrero reviewed economic development and revitalization activities in San Luis Obispo County. He noted the county enjoys a low unemployment rate at the present time, but it appears likely more layoffs are on the horizon. He said the local Vitality Corporation is housed in the main one-stop center, and this sharing of space is an important tool in bringing the agency closer to the employment community. Mr. Ferrero said the county has developed an effective business retention and expansion program and works with local businesses on recruitment. He said a key focus of effort in the coming months would be the healthcare industry, because there is a serious shortage of workers in this field at the same time demand for services is growing.

Mike Curran said one of the key challenges facing the Silicon Valley is addressing the high demand for skilled workers. He noted the number of high-tech jobs is growing faster than the workforce. Mr. Curran also commented that there is a growing disparity between high-tech knowledge-based workers who are sharing in the recent economic prosperity and the working poor who are not. He reported that the local private industry council is making the transition to a local workforce board, and part of that process involves defining its vision and mission, and then developing a number of key initiatives with measurable goals. In addition, attention is being given to customer feedback and identification of customer needs. Mr. Curran said the local workforce area is going through a self-assessment process in order to develop more effective strategies for the future. In order to make solid, fact-based decisions, the North Valley Job Training Consortium is also involved in studying several industries, including bioscience, telecommunications, education, healthcare, high technology, entertainment, and building trades. Mr. Curran suggested that the State Board could assist by visiting local programs, advocating for increased funding, and setting priorities to guide local programs.

Keith Lee described San Bernardino County's efforts to cope with a burgeoning population, housing affordability, and the recent energy crisis. He said finding jobs and attracting industries are crucial to future prosperity. Mr. Lee described the county's active youth council, a Cal Works program targeting foster youth, and a job training collaboration with the local television broadcasting station.

Eligible Training Provider List

Deb Cusimano noted the Board established a work group to develop recommendations on measuring the performance of providers and programs currently on the state's eligible training provider list, and the staff presented recommendations from the work group at the Board's April meeting. Ms. Cusimano said the recommendations include using existing performance measurement systems based on a completion rate, placement rate, and wage placement; adopting existing timeframes for reporting those measures; and allowing programs that achieve 80 percent of their completion and placement rate goals to remain on the list as long as their overall placement rate outcome is at least 60%. Programs that achieve a placement rate below 60% will be removed from the list regardless of whether or not their placement rate comes within 80% of their goal.

Ms. Cusimano reported that the staff is working on simplifying the application process; developing a single, state-level application for community colleges; ensuring sufficient flexibility to include innovative, cutting-edge programs; developing a policy requiring local areas to justify standards higher than those set at the state level; and addressing programs that service target groups with multiple barriers to employment. She drew attention to the materials in the meeting packet for more details.

Carlos Lopez, Centers for Employment Training (CET), expressed concern about the individual training account voucher system. He recommended speeding up the process to expedite training for people with low skill levels, literacy problems, and difficulty speaking English. He noted the individual training account process also needs to be administered uniformly throughout the state. He expressed CET's willingness to work with the Board to improve the system.

Mr. Lindsey asked how the measurement standards would be applied to areas having drastically different unemployment rates. He suggested looking at single, statewide applications for service providers other than the community colleges. He recommended defining the entered employment rate in terms of acceptable wages. Mr. Lindsey also expressed concern about differences in quality between the local franchises of service providers. He noted local areas should not have to incur costs to send people to other areas for training by service providers approved elsewhere.

Jan Vogel expressed concern about allowing providers to submit subsequent eligibility applications in local areas that are different from the areas where services are provided. He recommended defining how placement will be measured consistently in various areas of the state.

Chancellor Nussbaum expressed appreciation to the staff and the work group for their problem-solving approach. He supported the one-year grace period as a way of making sure the measurement tools and performance standards accurately measure programs that are producing good results.

A motion was made, seconded, and unanimously approved to adopt the eligible training provider list policy as proposed.

State Incentive Policy

Dave Mar reviewed the proposed state incentive policy in the meeting packet. He said the policy proposes using 30 percent of the incentive funds to reward local areas for exemplary performance, defined as meeting 100 percent of each individual performance goal for a specific client group. He noted the four client groups are adults, dislocated workers, older youth, and younger youth. The policy also proposes using the remaining 70 percent of the Incentive funds for regional collaboration and local coordination efforts. Mr. Mar recommended that the State Board approve the state incentive policy as proposed.

Virginia Hamilton commented that a statewide incentive policy would be very helpful for local workforce boards to identify priorities and work to further the state's goals. She noted the policy also indicates the high value the state is placing on collaboration and cooperation. Ms. Hamilton recommended that the State Board allocate a maximum amount of money for incentives. She pointed out that the bigger the rewards, the harder local workforce investment boards will try to develop worthwhile projects.

Kirsten Deichert asked if there were limitations on how incentive funds could be spent by local workforce investment boards. Mr. Mar responded that the funds might be used for any allowable WIA activities. Ms. Deichert asked how the amount of funding would be determined. Executive Director Andrew Baron said that a 15 percent work group would be convened to assist the Board in identifying priorities and available funds and report back to the Board with recommendations.

Rona Sherriff said she supported the focus on rewarding collaborations. She expressed concern about the measurements, and emphasized the need to make sure the right items are being measured.

Kirk Lindsey commented that rewarding people for attaining 100 percent of their goals suggests that the performance targets may not be set high enough.

A motion was made, seconded, and unanimously approved to adopt the state incentive policy as proposed.

Further Matters

Assembly Member Patricia Wiggins noted that school-to-career partnerships would be an integral part of the youth development network. These programs were established with federal money a few years ago, but those funds are being phased out and should be replaced by state funds. She noted the state only has \$2 million to support 24 school-to-career partnerships. She asked fellow Board members to call the Governor's Office and contact the speaker and other legislators urging support for a \$5 million augmentation. Assembly Member Wiggins said the vote on this item would be occurring soon, so a speedy response is critical.

Kathleen Milnes supported the proposed augmentation.

Adjournment

Mr. Gotlieb thanked Board members for their attendance and participation. He reminded Board members that the next meeting of the full Board is scheduled for December 6. There being no further business, the meeting was adjourned at 2:54 p.m.